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UNITED STATES DISTRICT COURT

for the

Eastern District of North Carolina

JUN 11 2021

PETER A. MOORE, JR., CLERK
US DISTRICT COURT, EDNC
BY BX DEP CLKUnited States of America
v.
Xiang Yue JIN aka "Angelina"

Case No.

5:21-mj-1569-RN

Defendant(s)

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of August 7, 2020, until April 15, 2021 in the county of Wake in the
Eastern District of North Carolina, the defendant(s) violated:

<i>Code Section</i>	<i>Offense Description</i>
18 U.S.C. § 201(b)(1)	Paying a bribe to a public official
18 U.S.C. § 1952(a)(3)	Interstate travel or use of the means and facilities of interstate commerce to promote a prostitution enterprise (ITAR)

This criminal complaint is based on these facts:

See attached affidavit, incorporated as if fully restated herein.

☒ Continued on the attached sheet.On this day, M.C. Glenn Covington
appeared before me via reliable electronic means, was
placed under oath, and attested to the contents of this
Complaint.Date: 6/11/21City and state: Raleigh NCM.C. Glenn Covington
Complainant's signatureM.C. Glenn Covington, HSI Special Agent
Printed name and titleRobert T. Numbers II
Judge's signatureRobert T. Numbers II, U.S. Magistrate Judge
Printed name and title

BMS

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IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
WESTERN DIVISION

PROBABLE CAUSE AFFIDAVIT

I, M.C. Glenn Covington (Affiant), having been duly sworn according to law, depose and state that:

INTRODUCTION AND AGENT BACKGROUND

1. I am a Special Agent with the Department of Homeland Security (DHS), Homeland Security Investigations (HSI), currently assigned to Cary, North Carolina and have been so employed since October 2009. I am responsible for investigations involving child exploitation and sex trafficking which occur in the Eastern District of North Carolina. I was previously employed as a United States Postal Inspector for five years in Richmond, VA and was responsible for child exploitation investigations involving the U.S. Mail.

2. I have participated in over 400 child exploitation and sex trafficking investigations. I have received training in the area of child sexual exploitation and sex trafficking investigations as well as specialized instruction on how to conduct investigations of child sexual exploitation and sex trafficking crimes through the United States Postal Inspection Service, the FBI, Department of Justice, and Homeland Security Investigations. I have also received specialized training from the Internet Crimes Against Children Task Force seminars and at the Dallas, TX Advocacy Center's Crimes Against Children Training Conference.

3. As a result of my training and experience, I am familiar with federal criminal laws and know that it is a crime to violate 18 U.S.C. § 201(b)(1), paying a bribe to a public official as defined in 18 U.S.C. § 201(a)(1), and 18 U.S.C. § 1952(a)(3), interstate travel or use of the means and facilities of interstate commerce to promote a prostitution enterprise (ITAR).

4. Information contained within this affidavit is based upon information from my investigation, personal observations, training and experience, and information relayed to me by other law enforcement officers and or agents.

5. Because this affidavit is being submitted for the limited purpose of securing authorization for the requested arrest warrant, I have not included each and every fact known to me concerning this investigation. Instead, I have set forth only the facts that I believe are necessary to establish the necessary foundation for the requested warrant.

PROBABLE CAUSE

The Origins of the Investigation

6. Since August 2020, HSI has investigated Xiang Yue JIN aka "ANGELINA" for operating two illicit, so-called Asian massage parlors: Studio Salons, located at 922 N.E. Maynard Road in Cary, North Carolina 27513; and Lucky Foot & Body Massage, located at 3407 Wrightsville Avenue, Wilmington, North Carolina 28403.

7. On August 7, 2020, a source of information introduced an HSI undercover agent (UCA) posing as a corrupt HSI agent to JIN. As explained further, since then, the UCA has taken bribe payments from JIN in exchange for the UCA supposedly protecting JIN's illegal massage parlors from law enforcement scrutiny.

8. At all relevant times, the UCA was a "public official" as defined in 18 U.S.C. § 201(a)(1) because he was a sworn special agent of the Department of Homeland Security – Homeland Security Investigations. As discussed below, he also informed JIN that he was a sworn federal agent.

9. The August 7, 2020, meeting between the UCA, the source of information, and JIN occurred at Starbucks in Cary. The UCA told JIN that he was talking to police departments in the area and that those police departments would contact him if they took action against her business. JIN implied that business would be better if she didn't have to worry about the police checking her business. The UCA showed JIN his gun and badge and said that they would have to gain each other's trust. JIN made a "lips zipped" gesture with her hand.

10. The UCA and JIN discussed how much money she would pay the UCA and when he would pick up money from her. The source of information asked JIN if she could pay the UCA today and JIN replied, "not here – no good." The UCA told JIN to slide it in his binder and she produced two stacks of money wrapped in a white napkin. The UCA told JIN "I'll protect you – you protect me." Wrapped in the white napkins were \$2,000 in U.S. currency.

11. On September 18, 2020, the UCA met with JIN at Reedy Creek Plaza (902 N.E. Maynard Road), the strip mall where Studio Salons is located, in the strip mall parking lot. JIN met with the UCA in the UCA's unmarked police vehicle. She had to move the UCA's HSI bulletproof vest and handcuffs to sit down in the backseat. She and the UCA agreed that she would pay him \$1,000 for each of her stores, in Cary and Wilmington, monthly for a total of \$2,000. The UCA told JIN he would keep the local police away from her stores. JIN handed the UCA two stacks of money held together with rubber bands before she exited the vehicle. Total count was \$2,000 in U.S. currency.

The Payments

12. Since August 2020, the UCA met periodically with JIN to collect bribe payments. All payments were in cash. In total, the UCA collected \$18,000.00, as detailed below:

- a. August 7, 2020: \$2000.00 paid by JIN at Starbucks in Cary, NC.
- b. September 18, 2020: \$2000.00 paid by JIN at Reedy Creek Plaza, 902 N.E. Maynard Road, Cary, NC 27513.
- c. October 14, 2020: \$2,000.00 paid by JIN at Reedy Creek Plaza, 902 N.E. Maynard Road, Cary, NC 27513.
- d. November 23, 2020: \$2000.00 paid by JIN at Reedy Creek Plaza, 902 N.E. Maynard Road, Cary, NC 27513.
- e. January 19, 2021: \$4000.00 paid by JIN at Reedy Creek Plaza, 902 N.E. Maynard Road, Cary, NC 27513.
- f. March 17, 2021: \$4000.00 paid by JIN at Reedy Creek Plaza, 902 N.E. Maynard Road, Cary, NC 27513.
- g. April 15, 2021: \$2000.00 paid by JIN at Reedy Creek Plaza, 902 N.E. Maynard Road, Cary, NC 27513.

13. During each payment, other HSI agents performed surveillance, and payments were captured on audio or video. Each payment and any other items included with it were immediately logged into HSI evidence.

The Massage Parlors and their Operators

13. JIN has discussed how she operates her illegal massage parlors with the UCA. For example, during their first meeting on August 7, 2020, JIN asked the UCA to invest in some businesses with her and the business could be opened under "American names," which would bring less scrutiny. She then asked the UCA to do more "checks" at competing businesses in Cary, explaining that law enforcement scrutiny would scare away the current owners and give her an opportunity to purchase those businesses at a lower price. The UCA asked JIN if any of the working girls had been arrested and JIN replied that one had been charged with prostitution in January. The UCA also asked if the girls did crazy things and JIN replied "no," then used her hand to gesture manual stimulation and then said, "only hand jobs and happy rubs and endings."

14. On November 16, 2020, JIN texted the UCA regarding an issue with her other parlor, Lucky Foot in Wilmington. She told the UCA that "three young boys came to my Wilmington store yesterday and today and asked for other services and we said without them they would break my store." JIN further advised that "he broke all the beds and everything in the house." JIN texted that her staff are too scared to work.

15. On November 23, 2020, the UCA and JIN again met in the Reedy Creek Plaza parking lot in the UCA's unmarked police vehicle. The UCA told JIN that he went by Lucky Foot in Wilmington, watched the business for a few hours, and saw nothing unusual. JIN told him that the customer was crazy and had returned twice. The UCA asked JIN if the customer wanted a "happy ending" and JIN replied "yes."

16. The UCA and JIN discussed opening a massage spa together. The UCA informed JIN that he had a friend who was willing to put his name on the lease. The UCA asked JIN how much money they could make with the business. JIN said they could make around \$30,000 per month. JIN reported that the Cary store (922 N.E. Maynard Road) has fifteen to twenty customers a day. She splits the profit 70/20 with the workers, so she makes \$50 and the workers make \$20 per massage. JIN disclosed that she pays \$2,100 per month for rent in Cary.

17. On January 19, 2021, UCA and JIN continued discussing opening a store together. JIN told the UCA they would need "\$20,000 to \$30,000 for the interior of the store." JIN disclosed that she pays an accountant in New York \$100 monthly to manage the books and a "Chinese man" \$100 monthly to advertise her business online, including "erotic advertising." JIN explained that the business charges \$70 for a one-hour massage and \$50 for a half-hour massage; of that, the workers keep \$20 and \$10, respectively. She told the UCA that the proposed massage parlor would have a room for couples and a room for "men – if customer wants hand." (A video recording captured JIN motioning her hand up and down, simulating a "hand job.") JIN told the UCA that she would call somebody to get girls to come to North Carolina to work in her store and "NY girl – Asian girl – 80% working for spa." JIN advised the UCA to "make it safe everybody comes."

18. On April 15, 2021, the UCA met JIN at a Starbucks in Cary, NC. The UCA provided JIN with a copy of a business plan. The UCA asked JIN about getting young girls to work at the massage spa. JIN informed the UCA that she didn't want "young or beautiful girls" but wanted women thirty-five to forty-five years old. "ANGELINA explained that "young girls were for fucky shop" and that opening that type of shop is dangerous. JIN explained how long a massage would take "its 40 minutes massage, maybe 20-minute customer shower, and maybe hand job, yes." (JIN again made a stroking hand motion simulating a "hand job.") She added, "no fucky." ANGELINA asked he UCA, "You make me safe?" and stated that she was always looking for police cars.

19. In April 2021, HSI agents and Cary Police Department (CPD) officers conducted surveillance on Studio Salon, 922 N.E. Maynard Road, Cary, NC 27513. Officers initiated traffic stops on clients seen entering and leaving the business. HSI and CPD officers interviewed eight men and served them with grand jury subpoenas. Six testified that they had received so-called "happy endings" toward the end of a thirty- or sixty-minute massage, during which masseuses manually stimulated their penises, generally to ejaculation. Some reported receiving the same "happy ending" at prior visits to that massage parlor. A seventh customer testified that the masseuse touched his genitals during the massage, which he did not expect and did not welcome. An eighth customer, who did not testify, denied any sexual touching.

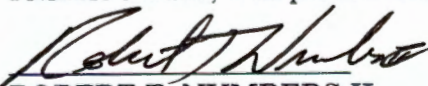
20. In May 2021, HSI agents and New Hanover County Sheriff's Office (NHCSO) officers conducted surveillance on Lucky Foot & Body Massage, 3407 ~~Wrightsville~~ Avenue, Wilmington, NC. Officers initiated traffic stops on clients seen entering and leaving the business. HSI and NHCSO interviewed three men and served with grand jury subpoenas. All testified that they received so-called "happy endings" toward the end of a thirty- or sixty-minute massage, during which masseuses manually stimulated their penises, generally to ejaculation.

CONCLUSION

21. Based on the foregoing investigation, I have probable cause to believe that that Xiang Yue JIN, aka "ANGELINA," did commit violations of federal law, including 18 U.S.C. § 201(b)(1) (paying a bribe to a public official) and 18 U.S.C. § 1952(a)(3) (interstate travel or use of the means and facilities of interstate commerce to promote a prostitution enterprise (ITAR)).


M.C. Glenn Covington
Special Agent
Homeland Security Investigations

On this 11th day of June 2020, M.C. Glenn Covington appeared before me via reliable means, was placed under oath, and attested to the contents of this Affidavit.


ROBERT T. NUMBERS II
United States Magistrate Judge
Eastern District of North Carolina